

## Message Text

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PAGE 01 CARACA 03445 051433Z  
ACTION ARA-10

INFO OCT-01 ISO-00 EB-08 /019 W  
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R 051302Z APR 77  
FM AMEMBASSY CARACAS  
TO USDOC WASHDC  
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UNCLAS CARACAS 3445

PASS TO OED/MEPD AND OIM/BREWER

E.O. 11652: N/A  
TAGS: BENC, VE  
SUBJ: MAJOR PROJECT: ARRAVEN PROJECT: SMALL BLAST FURNACE TO MAKE  
PIG IRON.

1. PROJECT NAME: ARRAVEN PIG IRON PLANT; CIUDAD GUAYANA,  
ESTADO BOLIVAR.

2. BRIEF DESCRIPTION: BECAUSE OF CHRONIC SHORTAGE OF PIG  
IRON IN DOMESTIC MARKET, SIXTEEN VENEZUELAN FOUNDRY OWNERS  
HAVE FORMED NEW COMPANY, ARRAVEN, TO BUILD SMALL BLAST FURANCE  
IN CIUDAD GUAYANA REGION. PROJECTED INITIAL PLANT  
CAPACITY IS 100,000 METRIC TONS OF FOUNDRY PIG IRON PER YEAR  
TO BE USED BY OWNERS OR TO BE SOLD IN DOMESTIC MARKET.  
CONTEMPLATED INVESTMENT APPROXIMATELY 90 MILLION BOLIVARS.  
(22MILLION DOLLARS).

3. EXECUTING AGENCY/PROJECT MANAGER:  
DR. FERNANDO EGANA  
ARRAVEN  
C/O AIMM  
APARTADO POSTAL 14138-CANDELARIA  
CARACAS, VENEZUELA

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4. STATUS OF PROJECT/ANTICIPATED BID DATES: FEASIBILITY  
STUDY FOR PROJECT IS NEARING COMPLETION BY LOCAL VENEZUELAN  
CONSULTING FIRM WHICH INCLUDES SOME ATKINS CONSULTANTS. ARRAVEN  
EXPECTS TO RECEIVE STUDY MID-MAY AND TO SPEND APPROXIMATELY  
THREE MONTHS ANALIZING RECOMMENDATIONS AND CHOOSING EQUIPMENT  
AND TECHNOLOGY FOR PLANT. IMPORTANT THAT INTERESTED FIRMS MAKE  
INITIAL CONTACT IMMEDIATELY IN ORDER TO BE CONSIDERED. ARRAVEN

HOPES TO BE PRODUCING PIG IRON WITHIN THREE YEARS.

5. ESTIMATED PROJECT COST/FOREIGN CONTENT: N/A

6. COMPETITIVE FACTORS: ARRAVEN HAS ALREADY CONTACTED SOME POTENTIAL SUPPLIERS, INCLUDING TWO US FIRMS, AND HAS RECEIVED RESPONSES FROM FIRMS IN ENGLAND, GERMANY AND FRANCE. NO US FIRM HAS RESPONDED TO DATE. HOWEVER, DR. EGANA STATES THAT HE WANTS TO USE MOST ADVANCED, PROVEN TECHNOLOGY AND WOULD BE INTERESTED IN CONTACTS WITH US FIRMS. HE BELIEVES THAT US FIRMS HAVE NOT BEEN INTERESTED IN "MINI MILL" BECAUSE OF ITS SMALL SIZE IN COMPARISON TO MOST PIG IRON PLANTS NOW BEING BUILT. ARRAVEN IS NOT YET COMMITTED TO ANY SUPPLIER, AND FIRM REPRESENTATIVES INTEND TO VISIT PLANTS BUILT BY INTERESTED COMPANIES IN THE COMING MONTHS. DR. EGANA EMPHASIZED REPEATEDLY THAT ARRAVEN IS ONLY INTERESTED IN DEALING WITH THOSE FIRMS EXPERIENCED IN THE CONSTRUCTION OF SMALL PLANTS FOR FOUNDRY PIG IRON.

7. ARRAVEN IS COMPANY WHOLLY OWNED BY MEMBERS OF THE PRIVATE SECTOR. INITIAL IDEA FOR PROJECT WAS PROMOTED AT THE ASSOCIATION OF METALWORKING AND MINING INDUSTRIALISTS AS A RESPONSE TO GROWING SHORTAGE OF FOUNDRY PIG IRON IN VENEZUELA.  
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## Message Attributes

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